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Consultants: Joseph I. Burns, P.E. Donald E. Kienlen, P.E.

Mr. Mike Heaton CALFED Bay-Delta Program 1416 Ninth Street, Suite 1155 Sacramento, California 95814

Dear Mr. Heaton:

In accordance with your request, enclosed is a copy of the Executive Summary of the recent Natomas Central Mutual Water Company (Natomas) water transfer. As we identified, this water transfer has taken place as a result of water management activities undertaken by Natomas. We hope you will find that in review of this document the process which Natomas undertook to effect a transfer of 2,000 acre-feet was cumbersome. It clearly identifies the lack of and the need for a structured procedure for effecting such a transfer. The water users within the Sacramento Valley have undertaken many water management activities that have resulted in a reduced demand on the Sacramento River. These activities have come at a large expense to these users, and they are anxious to find ways to recoup some of the costs incurred and to fund future water management activities. Therefore, it is critical for the Sacramento Valley water users to understand the procedures and efforts necessary to effect a water transfer of this nature. We hope the enclosed material will assist the CALFED program in establishing such a criteria.

Please call if you have any questions.

Sincerely,

MURRAY, BURNS and KIENLEN

Tom Hickmann

Enclosure

cc: Mr. Peter Hughes

Mr. Kevin O'Brien